

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION

Jefferson Parish, Louisiana
Financial Statements and Schedules

December 31, 2007

With Independent Auditors' Report Thereon

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/25/08

P&N Postlethwaite
& Netterville

A Professional Accounting Corporation

www.pncpa.com

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
FINANCIAL SECTION	
Required Supplementary Information – Part I:	
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Governmental Funds	14
Balance Sheet to the Statement of Net Assets	
Statement of Revenues, Expenditures, and	15
Changes in Fund Balances	
Reconciliation of the Governmental Funds Statement	16
of Revenues, Expenditures, and Changes in Fund	
Balances to the Statement of Activities	
Fiduciary Funds:	
Fiduciary Funds Description	17
Fiduciary Funds – Statement of Fiduciary Net Assets	18
Notes to Basic Financial Statements	19
Required Supplementary Information – Part II	
General Fund and Major Fund Descriptions	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
General Fund	34
Jefferson Edge Fund	35
EDA Revolving Loan Fund	36
JEDCO West Proceeds Fund	37
BRGL Fund	38
Other Supplemental Information	
Nonmajor Governmental Funds:	
Nonmajor Governmental Fund Descriptions	39
Combining Balance Sheet	40
Combining Statement of Revenues, Expenditures, and	
Changes in Fund Balances	41
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Bayou Segnette Capital Project Fund	42

SINGLE AUDIT SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards	45
Schedule of Expenditures of Federal Awards	47
Notes to Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49
Summary of Current Year Findings and Questioned Costs	50

MANAGEMENT LETTER

Management Letter	51
-------------------	----



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

Independent Auditors' Report

The Board of Commissioners
Jefferson Parish Economic Development Commission
Metairie, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Parish Economic Development Commission ("JEDCO"), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2007, which collectively comprise JEDCO's basic financial statements as listed in the table of contents. These financial statements are the responsibility of JEDCO's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JEDCO as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2008 on our consideration of JEDCO's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 10 and pages 34 through 38, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise JEDCO's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and is also not a required part of the basic financial statements of JEDCO. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postlethwaite + Nettenville

Metairie, Louisiana
March 28, 2008

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2007

The Management's Discussion and Analysis (MD&A) of the Jefferson Parish Economic Development Commission's (JEDCO) financial performance provides an overall review and an objective, easily readable analysis of JEDCO's financial activities for the year ended December 31, 2007. The intent of MD&A is to review JEDCO's overall financial performance and to assist readers in assessing the financial position. Therefore, readers should read MD&A in conjunction with JEDCO's financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of JEDCO exceeded its liabilities at the end of December 31, 2007 by \$9,912,873 (*net assets*). Of this amount, \$1,804,045 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- JEDCO's total net assets increased by \$4,929,057. The increase is primarily related to the Business Recovery Grant and Loan Program (BRGL) activity during the current year and the purchase of the land for the Churchill Technology and Business Park.
- JEDCO's total assets increased by \$6,355,651 during the current year. The increase is primarily due to the notes receivable of \$3,892,859 from the BRGL loans, the promises to give receivable of \$441,750, and the land purchase of \$998,985 for the Churchill Technology and Business Park.
- JEDCO's total liabilities increased by \$1,426,594 during the current year. The key factor in this increase was an increase in BRGL grants payable of \$969,929 that was paid in 2008. Additional increase of \$441,750 due to deferred revenue on promises to give to Jefferson Edge.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to JEDCO's basic financial statements. JEDCO's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with an overview of JEDCO's finances, in a manner similar to a private-sector entity.

The *statement of net assets* presents information on all of JEDCO's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of JEDCO is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and compensated absences payable).

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

Both of the government-wide financial statements distinguish functions of JEDCO that are principally supported by intergovernmental revenues and charges for services. The governmental activities of JEDCO include Enterprise Center West, Financing the Future program, Port and Transportation program, Economic Development program, Jefferson Edge program, and Marketing and Administrative expenditures.

The government-wide financial statements can be found on pages 11 to 12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. JEDCO, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of JEDCO can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

JEDCO maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Jefferson Edge fund, EDA Revolving Loan fund, and the BRGL fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

JEDCO adopts an annual appropriated budget for its general fund, capital projects fund and all special revenues funds with the exception of the EDA Revolving Loan fund. A budget was not prepared for this fund and is explained in Note 3 on page 24. Budgetary comparison statements have been provided for all major funds in the required supplementary information and for nonmajor funds in the other supplemental information section.

The basic governmental financial statements can be found on pages 13 and 15.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support JEDCO's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* in the form of budgetary comparison statements for each major fund. This information was discussed earlier in the governmental fund section. The required supplementary information begins on page 33 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of JEDCO, assets exceeded liabilities by \$9,630,147 at December 31, 2007.

Statements of Net Assets

	2007	2006
Current and other assets	\$ 9,226,971	\$ 3,911,201
Capital assets	2,205,985	1,166,104
Total assets	<u>11,432,956</u>	<u>5,077,305</u>
Other liabilities	1,028,941	49,679
Long-term liabilities outstanding	491,142	43,810
Total liabilities	<u>1,520,083</u>	<u>93,489</u>
Net Assets:		
Invested in capital assets	2,205,985	1,166,104
Restricted:		
Economic development administration	1,355,434	1,321,588
Bayou Segnette project	19,706	19,726
Jefferson Edge	614,909	1,444,707
BRGL	3,912,794	-
Unrestricted	1,804,045	1,031,691
Total net assets	<u>\$ 9,912,873</u>	<u>\$ 4,983,816</u>

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

The amount "Invested in capital assets" represents JEDCO's net book value of its fixed assets. It is the accumulation of years of investments in fixed assets. These assets are not available for spending. The restricted portion of net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$1,804,045) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current period, JEDCO is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior year.

The government's net assets have increased by \$4,929,057 during the current year. The increase is primarily related to increase in funding for the Business Recovery Grant and Loan Program that began in 2007.

Governmental activities. Governmental activities increased JEDCO's net assets by \$3,900,258. Key elements of this increase are as summarized on the following page.

The largest single revenue source of the general fund continues to be JEDCO's share of occupational licenses from Jefferson Parish. The occupational licenses have increased from the prior year by the consumer price index.

Charges for services, including rents and telephone were increased in the current year due to \$596,623 of transaction fees earned from services provided on the BRGL program.

Donations revenue of \$288,284 on the Jefferson Edge fund consists of pledges from the local businesses to support the Churchill Technology and Business Park.

The Business Recovery Grant and Loan Program revenues of \$13,954,287 are recorded in the BRGL fund and represent proceeds from the Federal government through the Louisiana Department of Economic Development. The proceeds were used to fund grant expense of \$10,041,493 and notes receivable of \$3,892,859.

Interest and investment earnings have increased from the prior year due to increased funds available for investing in interest bearing accounts and higher market interest rates.

Expenditures increased by \$11,260,936 from the prior year. The increase was primarily related to Business Recovery Grant and Loan Program that began in 2007 and an increase in Jefferson Edge capital project expenditures for the Churchill Technology and Business Park.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

	<u>2007</u>	<u>2006</u>
Revenues:		
Program revenues:		
Charges for services	\$ 780,489	\$ 137,234
Operating grants and contributions	338,284	-
General revenues:		
Share of Jefferson Parish occupational licenses	1,502,973	1,445,617
State funds	-	95,468
Federal funds	13,954,287	500,000
Rent and telephone	-	54,203
Interest and investment earnings	186,238	150,051
Miscellaneous	24,000	333
Restricted donations	-	283,850
Donated capital contribution	-	-
Total revenues	<u>16,786,271</u>	<u>2,666,756</u>
Expenses:		
Enterprise Center West	138,060	120,735
Jefferson Edge	266,775	71,383
Business Recovery Center	-	94,875
Workforce Investment Board	-	8,688
BRGL	10,094,015	-
Financing the Future	242,253	251,592
Port/transportation	85,441	92,712
Economic development	353,905	312,149
Marketing	132,045	139,851
Administrative	544,720	533,092
Total expenses	<u>11,857,214</u>	<u>1,625,077</u>
Increase in net assets	4,929,057	1,041,679
Net assets – beginning	<u>4,983,816</u>	<u>3,942,137</u>
Net assets - ending	<u>\$ 9,912,873</u>	<u>\$ 4,983,816</u>

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, JEDCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of JEDCO's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing JEDCO's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, JEDCO's governmental funds reported combined fund balances of \$7,752,030, an increase of \$3,900,258 in comparison with the prior year. Of this balance, \$4,157,544 is considered to be unreserved.

The general fund is the chief operating fund of JEDCO. At the end of the current year, the general fund has a total fund balance of \$1,433,955, of which \$1,419,712 is unreserved. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 92 percent of total general fund expenditures.

The fund balance of JEDCO's general fund increased by \$763,864 during the current year. Key factors are as follows:

- Increased revenues of \$596,623 from charges for services relating to work performed for the BRGL program.

The Jefferson Edge fund has a total fund balance of \$614,909, of which \$3,580,243 is encumbered unreserved for use in the Churchill Technology and Business Park. The net decrease in the fund balance during the current year was \$829,798. The key factor in this decrease is due to the land purchase in the amount of \$998,985.

The EDA Revolving Loan fund has a total fund balance of \$1,355,434, all of which is unreserved for use in economic development loans. The net increase in the fund balance during the current year was \$33,846, primarily related to a an increase in interest income for 2007

The Business Recovery Grant and Loan Program Fund has a total fund balance of \$3,912,794, all of which is unreserved for use in economic development loans. The borrowers on the note receivable balances will begin making payments on the notes receivable during 2008.

The JEDCO West Proceeds fund has a total fund balance of \$415,232 all of which is unreserved. This fund was created in 2003 by a transfer from general fund of sales proceeds from a building sold in 2002. The fund has been earmarked by its Board of Commissioners for future construction of JEDCO's administrative offices/technology incubator in the planned Churchill Technology and Business Park.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

General Fund Budgetary Highlights

JEDCO's budget is prepared according to Louisiana law. During the course of the year, JEDCO revises its budget to take into consideration significant changes in revenue or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. A statement showing JEDCO's original and final budget compared with actual operating results is provided in this annual report. The General Fund's actual revenues exceeded projected revenues by \$729,689 and expenditures were under final projections by \$33,165.

A comparison of actual results as of December 31, 2007 and the original budget for the General Fund are as follows:

	Original Budget	Actual Budgetary Basis	Difference
Total Revenues	\$ 1,572,930	2,302,619	\$ 729,689
Total Expenditures	1,571,920	1,538,755	(33,165)
Total Net Revenues	\$ 1,010	\$ 763,864	\$ 696,524

The difference between the original budget and the actual results is due to the service fees earned on the processing of the BRGL loan applications.

CAPITAL ASSETS, DEPRECIATION AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2007, JEDCO had approximately \$2,205,985 invested in capital assets. This amount is net of accumulated depreciation to date. The net book value of capital assets at December 31, 2007 is as follows:

Land	\$ 2,123,985
Office furniture	38,457
Leasehold improvements	3,838
Construction in progress	39,705
Total	<u>\$ 2,205,985</u>

The land purchase of \$998,985 during the year ended December 31, 2007 was for the Churchill Technology and Business Park. Depreciation for the year ended December 31, 2007 was \$28,788. Additional information on JEDCO's capital assets can be found in Note 7 on page 27.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2007

CAPITAL ASSETS, DEPRECIATION AND DEBT ADMINISTRATION (continued)

JEDCO's long-term obligations at December 31, 2007 are comprised of:

Compensated absences payable	\$ 45,142
Escrow deposits	4,250
Deferred revenue	441,750
Total	<u>\$ 491,142</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

JEDCO anticipates an increase in its share of occupational licenses received from Jefferson Parish for 2008.

Several factors will influence whether or not JEDCO will experience an increase or decrease of revenues (i.e., occupancy of the Enterprise Centers and investment tools). JEDCO anticipates an increase of 30% for insurance. In addition, JEDCO will continue to act as a conduit for the State of Louisiana in its Louisiana Business Recovery Grant/Loan program. JEDCO will process applications for the program and remit the applications to the State of Louisiana, in turn JEDCO will receive a fee for each application processed.

Revenues and expenses allocated for the Jefferson Edge Project are project oriented and are reflected as such. The contract between JEDCO for the Jefferson Edge project with the State of Louisiana was renewed in 2007 and will provide State Funds revenue of \$50,000 in 2008. Planned infrastructure construction spending was delayed in 2006 and 2007 due to Hurricane Katrina, but is expected to begin during 2008. JEDCO signed a cooperative endeavor agreement with the State of Louisiana, which provides State reimbursement for construction expenditures. Therefore a significant increase in capital expenditures and State funding appears likely in 2008.

Revenues and expenses allocated for the Bayou Segnette Project are project oriented.

CONTACTING JEDCO'S FINANCIAL MANAGEMENT

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of JEDCO's finances and to show JEDCO's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact JEDCO at 3445 North Causeway Boulevard, Suite 300, Metairie, LA 70002 or call (504) 833-1881 during regular office hours.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF NET ASSETS
December 31, 2007

ASSETS

Cash and cash equivalents	\$ 1,539,521
Investments	1,803,162
Receivables:	
Accounts	479,850
Notes	4,901,595
Due from other governments	47,934
Prepaid expenses	13,159
Promises to give - Jefferson Edge	441,750
Capital assets	
Land	2,123,985
Other capital assets- net	42,295
Construction in progress	39,705
TOTAL ASSETS	<u>11,432,956</u>

LIABILITIES

Accounts payable	1,028,941
Escrow deposits	4,250
Compensated absences payable, long-term	45,142
Deferred revenue - Jefferson Edge	441,750
TOTAL LIABILITIES	<u>1,520,083</u>

NET ASSETS

Invested in capital assets	2,205,985
Restricted for:	
EDA Revolving Loan Fund	1,355,434
Bayou Segnette Project	19,706
Jefferson Edge	614,909
BRGL Funds	3,912,794
Unrestricted	1,804,045
TOTAL NET ASSETS	<u>\$ 9,912,873</u>

The notes to the basic financial statements are an integral part of this statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Administrative	\$ 544,720	\$ -	\$ -	\$ -
BRGL	10,094,015	596,623	-	-
Economic Development Services	353,905	-	-	-
Enterprise Center West	138,060	27,538	-	-
Financing the Future	242,253	156,328	-	-
Jefferson Edge	266,775	-	288,284	-
Marketing	132,045	-	50,000	-
Port/Transportation	85,441	-	-	-
Total governmental activities	<u>\$ 11,857,214</u>	<u>\$ 780,489</u>	<u>\$ 338,284</u>	<u>\$ -</u>
General revenues:				
Share of Jefferson Parish				\$ 1,502,973
occupational licenses				-
Donated capital contribution				186,238
Interest and investment earnings				24,000
Miscellaneous				13,954,287
BRGL				15,667,498
Total general revenues				4,929,057
Increase in net assets				4,983,816
Net assets - January 1, 2007				\$ 9,912,873
Net assets - December 31, 2007				

The notes to the basic financial statements are an integral part of this statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

ASSETS

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL Fund	JEDCO West Proceeds Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 125,409	\$ 142,629	\$ 339,524	\$ 511,747	\$ 415,232	\$ 4,980	\$ 1,539,521
Investments	1,323,316	479,846	-	-	-	-	1,803,162
Receivables:							
Accounts	1,251	441,750	-	478,599	-	-	921,600
Notes	-	-	1,008,736	3,892,859	-	-	4,901,595
Due from other funds	7,217	5,000	9,196	-	-	19,726	41,139
Due from other governments	9,559	38,375	-	-	-	-	47,934
Prepaid expenses	12,358	801	-	-	-	-	13,159
TOTAL ASSETS	\$ 1,479,110	\$ 1,108,401	\$ 1,357,456	\$ 4,883,205	\$ 415,232	\$ 24,706	\$ 9,268,110

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 11,983	\$ 47,029	\$ -	\$ 969,929	\$ -	\$ -	\$ 1,028,941
Due to other funds	28,922	4,713	2,022	482	-	5,000	41,139
Escrow deposits	4,250	-	-	-	-	-	4,250
Deferred revenue (Jefferson Edge)	-	441,750	-	-	-	-	441,750
Total liabilities	45,155	493,492	2,022	970,411	-	5,000	1,516,080

Fund Balances:

Reserved for:							
Encumbrances	14,243	3,580,243	-	-	-	-	3,594,486
Unreserved, reported in:							
General fund	1,419,712	-	-	-	-	-	1,419,712
Special revenue funds	-	(2,965,334)	1,355,434	3,912,794	415,232	-	2,718,126
Capital projects funds	-	-	-	-	-	19,706	19,706
Total fund balances	1,433,955	614,909	1,355,434	3,912,794	415,232	19,706	7,752,030

**TOTAL LIABILITIES AND
FUND BALANCES**

\$ 1,479,110	\$ 1,108,401	\$ 1,357,456	\$ 4,883,205	\$ 415,232	\$ 24,706	\$ 9,268,110
---------------------	---------------------	---------------------	---------------------	-------------------	------------------	---------------------

The notes to the basic financial statements are an integral part of this statement.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
December 31, 2007**

Total fund balances at December 31, 2007 - Governmental Funds		\$ 7,752,030
Cost of capital assets at December 31, 2007	2,443,454	
Less- accumulated depreciation as of December 31, 2007:		
Office furniture	(226,266)	
Leasehold improvements	<u>(11,203)</u>	2,205,985
Elimination of interfund assets and liabilities:		
Due from other funds	41,139	
Due to other funds	<u>(41,139)</u>	-
Long-term liabilities at December 31, 2007:		
Compensated absences payable		<u>(45,142)</u>
Net assets of governmental activities at December 31, 2007		<u><u>\$ 9,912,873</u></u>

The notes to the basic financial statements are an integral part of this statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

December 31, 2007

	General Fund	Jefferson Edge Fund	EDA Revolving Loan Fund	BRGL Fund	JEDCO West Proceeds Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Share of Jefferson Parish occupational licenses	\$ 1,422,973	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 1,502,973
State Funds	-	50,000	-	-	-	-	50,000
Federal Funds	-	-	-	13,954,287	-	-	13,954,287
Charges for services	752,951	-	-	-	-	-	752,951
Enterprise Centers:							
Rents and telephone	27,538	-	-	-	-	-	27,538
Interest	75,157	57,653	33,846	-	19,572	10	186,238
Miscellaneous	24,000	-	-	-	-	-	24,000
Donations	-	288,284	-	-	-	-	288,284
Total revenues	<u>2,302,619</u>	<u>475,937</u>	<u>33,846</u>	<u>13,954,287</u>	<u>19,572</u>	<u>10</u>	<u>16,786,271</u>
EXPENDITURES							
Current:							
Enterprise Center West	131,296	-	-	-	-	-	131,296
Jefferson Edge	-	1,305,735	-	-	-	-	1,305,735
Business Recovery Center	-	-	-	-	-	-	-
BRGL	50,162	-	-	10,041,493	-	-	10,091,655
Workforce Investment Board	-	-	-	-	-	-	-
Financing the Future	239,893	-	-	-	-	-	239,893
Port/Transportation	85,441	-	-	-	-	-	85,441
Economic Development Services	351,545	-	-	-	-	-	351,545
Marketing	132,045	-	-	-	-	-	132,045
Administrative	548,373	-	-	-	-	30	548,403
Total expenditures	<u>1,538,755</u>	<u>1,305,735</u>	<u>-</u>	<u>10,041,493</u>	<u>-</u>	<u>30</u>	<u>12,886,013</u>
EXCESS OF REVENUES OVER EXPENDITURES							
	763,864	(829,798)	33,846	3,912,794	19,572	(20)	3,900,258
FUND BALANCES- BEGINNING	670,091	1,444,707	1,321,588	-	395,660	19,726	3,851,772
FUND BALANCES- ENDING	<u>\$ 1,433,955</u>	<u>\$ 614,909</u>	<u>\$ 1,355,434</u>	<u>\$ 3,912,794</u>	<u>\$ 415,232</u>	<u>\$ 19,706</u>	<u>\$ 7,752,030</u>

The notes to the basic financial statements are an integral part of this statement.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
December 31, 2007**

Total net increase in fund balances- governmental funds \$ 3,900,258

Amounts reported for governmental activities in the Statement of Activities
are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeds capital outlays
in the period:

Capital outlays	1,068,669	
Depreciation expense	<u>(28,788)</u>	1,039,881

Payment of compensated absences is an expenditure in the governmental
funds, but reduces long-term liabilities in the Statement of Net Assets
by the excess of compensated absences earned over amounts used.

(11,082)

Increase in net assets of governmental activities \$ 4,929,057

The notes to the basic financial statements are an integral part of this statement.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
FIDUCIARY FUNDS DESCRIPTION
December 31, 2007

FIDUCIARY TYPE FUNDS – AGENCY FUNDS

Agency Funds account for assets held by an entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

HUD Revolving Loan Fund

The HUD Revolving Loan Fund accounts for loans made by the Department of Housing and Urban Development, Community Development Block Grant Loan Guarantee Program to borrowers in the community for economic development.

Incentive Fund

The Incentive Fund accounts for loans made by Jefferson Parish through its Incentive Fund to borrowers in the community for economic development.

BASIC FINANCIAL STATEMENTS

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2007

	HUD Revolving Loan Agency Fund	Incentive Agency Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 529,517	\$ 18,659	\$ 548,176
Notes receivable	331,126	74,684	405,810
 Total Assets	 <u>\$ 860,643</u>	 <u>\$ 93,343</u>	 <u>\$ 953,986</u>
LIABILITIES			
Due to Jefferson Parish			
Department of Community Development	860,643	-	860,643
Incentive Fund	-	93,343	93,343
 Total liabilities	 <u>\$ 860,643</u>	 <u>\$ 93,343</u>	 <u>\$ 953,986</u>

The notes to the basic financial statements are an integral part of this statement.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

1. INTRODUCTION

The Jefferson Parish Economic Development Commission ("JEDCO") is a special district of Jefferson Parish, Louisiana which was created by House Bill No. 908 of the 1987 Regular Session of the Louisiana Legislature. The name under which it was created is Jefferson Parish Economic Development and Port District, but in accordance with its bylaws, it operates under the name Jefferson Parish Economic Development Commission or JEDCO.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of JEDCO have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

Reporting Entity

GASB Codification of Governmental Accounting and Financial Reporting Standards established the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criteria for including a governmental organization as a part of the reporting entity for a governmental unit is the ability to exercise oversight responsibility over such organization by the unit's elected officials. Oversight responsibility is derived from, among other things, the governmental unit's power to appoint the governing board and the ability to significantly influence operations.

Based on the foregoing criteria, JEDCO was determined to be a component unit of Jefferson Parish, Louisiana, which is the governing body with oversight responsibility. The accompanying basic financial statements present information only on the funds maintained by JEDCO and do not present information on Jefferson Parish, the general government services provided by Jefferson Parish, or the other governmental units that comprise the governmental reporting entity of Jefferson Parish. There are no component units which have been combined with JEDCO to form the reporting entity, nor are there any potential component units which should be combined with JEDCO to form the reporting entity.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of this measurement focus is the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or noncurrent) associated with the government's activities are reported. Fund equity is classified as net assets. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, the Statement of Net Assets and Statement of Activities present revenues, expenses, and fixed asset acquisitions as follows:

Revenue – Revenues are recognized in the accounting period in which they are earned.

Expenses – Expenses are recorded when the liability is incurred or economic assets used.

Capital Assets – All capital assets are valued at historical cost, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Program revenues included in the Statement of Activities are derived directly from outside parties. Program revenues reduce the cost of the function to be financed from JEDCO's general revenues.

JEDCO reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Fund Financial Statements

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of funds present increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

The modified accrual basis of accounting is used by all governmental funds and the agency funds. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred. Transfers between funds that are not expected to be repaid are accounted for as other financial sources or uses and are recorded when the interfund receivable and payable arises.

JEDCO maintains two categories of funds: governmental and fiduciary. Each category is further divided into separate fund types.

Those revenues susceptible to accrual are rents, charges for telephone usage, revenues for charges for services, and interest on notes and cash and cash equivalents. Revenue from shared occupational licenses is considered measurable and available when received and are recorded as revenue at that time.

JEDCO reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Jefferson Edge fund* is the government's primary fund for the Jefferson Edge program. This program supports the overall economic development strategic plan for Jefferson Parish. This fund is supported by the State of Louisiana, Jefferson Parish and the private sector through annual or multi-year commitments. This fund will account for the expenditures associated with the Churchill Technology and Business Park.

The *EDA Revolving Loan fund* accounts for the grants received from the Economic Development Administration.

The *BRGL Fund* was created in 2007 to account for the activity of the Business Recovery Grant and Loan program as funded by the Department of Housing and Urban Development through the State of Louisiana Office of Economic Development.

The *JEDCO West Proceeds Fund* was created to account for the proceeds from the sale of the JEDCO West building that was sold in 2002.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Additionally, JEDCO reports the following governmental fund types:

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Agency funds account for assets held by the entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year. The level of budgetary control is at the fund/department level and expenditures may not exceed budgeted appropriations. Appropriations which are not expended lapse at year-end. A budget is adopted for the General Fund, the Jefferson Edge Special Revenue Fund, and the Bayou Segnette Capital Project Fund on a basis consistent with generally accepted accounting principles.

Operating transfers are not included for budget purposes. The adopted budget of expenditures operates as an appropriation for that year. Any unexpended balance of the amount appropriated reverts to the fund balance and becomes available for future appropriation. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. A budget was not adopted for the EDA Revolving Loan Special Revenue Fund or the BRGL Special Revenue Fund because its expenditures are limited by the terms of the grant arrangements under which its revenues are received.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits and certificates of deposit with a maturity date within three months of the date acquired by JEDCO. Louisiana State statutes permit JEDCO to invest in direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, direct security repurchase agreements of any federal book entry only securities, and certificates of deposit of state banks, organized under the State of Louisiana, and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which have underlying investments limited to securities of the U.S. government or its agencies, and the Louisiana Asset Management Pool (LAMP). Investments for JEDCO are reported at fair value. LAMP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Promises to Give

Promises to give are future donations from businesses that are pledged over the next year for the Jefferson Edge program. Upon receipt, the promise to give will be recognized as revenue.

Allowance for Estimated Uncollectible Receivables

An allowance for estimated uncollectible receivables is established when collectibility of a loan or an account becomes doubtful. As of December 31, 2007, management had established no allowance for estimated uncollectible receivables and all accounts were considered collectible.

Deferred Revenue

Deferred revenues arise when resources are received by JEDCO before it has a legal claim to them. In subsequent periods, when JEDCO has legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation

For the government-wide financial statements, capital assets are recorded at cost in the statement of net assets. Donated assets are valued at their estimated fair market value on the date received. JEDCO does not have any infrastructure assets. Depreciation is computed using the straight line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Building	40 years
Leasehold improvements	5 – 10 years
Office furniture	5 – 7 years

For fund financial statements, capital acquisitions are reflected as expenditures in the governmental funds at the time purchased.

Compensated Absences

In the governmental funds, only that portion which is expected to be liquidated from expendable available financial resources is accrued at year-end. The remainder of the accrued liability which is applicable to governmental fund types is reported in the government-wide financial statements. The amount of accumulated annual leave at December 31, 2007 applicable to governmental fund types was \$45,142 none of which met the condition for accrual in the governmental fund types; hence, the entire amount is reported in the government-wide financial statements. In accordance with GASB Statement No. 16, no liability is recorded for accumulated sick pay benefits because such benefits can be used only for sick leave.

3. LEGAL COMPLIANCE - BUDGET

Under state law, JEDCO is required to complete and submit a budget for its General and Special Revenue Funds to the governing authority of Jefferson Parish no later than fifteen days prior to the beginning of the fiscal year to which the budget applies. The total proposed expenditures may not exceed the total of estimated funds available at the fund level. Public participation in the budgetary process prior to adoption of the budget is required if the total proposed expenditures are \$250,000 or more.

EDA Revolving Loan Fund and the BRGL fund revenues and expenditures are driven by the timing of economic development loan closings, repayments on existing loans and new funds provided by federal grants through the U.S. federal government. Therefore, EDA Revolving Loan Fund and the BRGL Fund is not required to adopt a budget.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

4. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2007, the carrying amount of JEDCO's deposits was \$2,087,697 of which \$548,176 is reported in the agency fund and \$1,539,521 is reported in the Statement of Net Assets. Certificates of deposit and money market mutual funds included in the cash amount were \$367,815 and 415,232, respectively. The bank balance of the deposits at December 31, 2007 was \$2,413,068. Of the bank balance, \$300,000 was covered by federal deposit insurance, \$415,232 was covered by securities investor protection, and \$887,200 was covered by collateral held by the pledging financial institution's agent in JEDCO's name.

State statutes authorize the government to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

LAMP investments are restricted to securities issued guaranteed or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, instrumentalities, as well as repurchase agreements collateralized by those securities. LAMP may also invest in commercial paper of domestic United States Corporations rated A-1 or A-1+ by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their funds.

JEDCO's investments are categorized as follows to give an indication of the level of risk assumed by the entity at year-end.

Category 1 includes investments that are insured or registered or for which the securities are held by JEDCO or its agent in the government's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the government's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the government's name.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

At year-end the carrying amount of investments is as follows:

	<u>Amount</u>
Investments not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	\$ 1,803,162
Total investments	<u>\$ 1,803,162</u>

6. INTERFUND TRANSACTIONS

Interfund transactions consist of interfund receivables/payables and transfers. Interfund receivables/payables at December 31, 2007 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 7,217	\$ 28,922
Jefferson Edge Fund	5,000	4,713
EDA Fund	9,196	2,022
BRGL	-	482
Other Governmental Funds	19,726	5,000
	<u>\$ 41,139</u>	<u>\$ 41,139</u>

There were no transfers for the year ended December 31, 2007.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

7. CAPITAL ASSETS

The following presentation of capital asset balances and current year activity for the fiscal year ended December 31 was as follows:

	Balance January 1, 2007	Additions	Deletions/ Transfers out	Balance December 31, 2007
Land	\$ 1,125,000	\$ 998,985	\$ -	\$ 2,123,985
Office Furniture	234,743	29,979	-	264,722
Leasehold Improvements	15,042	-	-	15,042
Construction in progress	-	39,705	-	39,705
Total at historical cost	1,374,785	1,068,669	-	2,443,454
Less: total accumulated depreciation	208,681	28,788	-	237,469
Capital assets, net	<u>\$ 1,166,104</u>	<u>\$ 1,039,881</u>	<u>\$ -</u>	<u>\$ 2,205,985</u>

Depreciation expense of \$28,788 for the year ended December 31, 2007, was as follows:

Governmental Activities:	
Enterprise Center West	\$ 4,403
Administrative	24,385
Total	<u>\$ 28,788</u>

8. PENSION PLAN

JEDCO's employees are covered by its simplified employee pension (SEP) plan and are subject only to Medicare portion of social security taxes. JEDCO makes a contribution to an IRA account established for each full-time employee. The amount contributed by JEDCO is 6.2% of the employee's total compensation. JEDCO's total contribution under this plan for 2007 was \$59,407 based on a covered payroll of \$958,169. JEDCO's total current year payroll for all employees was \$958,169. JEDCO also participates in a retirement plan in which all full time employees are eligible to participate. The annual contribution by JEDCO is 6% of the employee's annual salary. JEDCO's total contribution under this plan for 2007 was \$57,490 based on covered payroll of \$958,169.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

9. OPERATING LEASES

JEDCO leases a suite on the third floor of an office building in Metairie that it used for its administrative office. The lease was considered an operating lease for accounting purposes. The lease term expires on December 31, 2008. Lease payments under the leases for the year ended December 31, 2007 was \$93,765.

JEDCO leases a suite on the first floor of an office building that it uses for its Enterprise Center West operations. The lease is considered an operating lease for accounting purposes. The lease term is five years and expires on July 31, 2007. In October 2007, a new lease rate was acquired, which utilizes half the space of the previous lease agreement. Lease payments under the lease for the year ended December 31, 2007 was \$53,062.

JEDCO leases two copy machines that it uses for its Enterprise Center West and Metairie operations. The leases are considered operating leases for accounting purposes. The Enterprise Center West copier lease expired in 2005 and is on a month to month basis. The Metairie copier lease is for a 39 month period ending August 1, 2008. In 2007, JEDCO acquired two new copy machines and two new fax machines, whose leases expire in 2008. Lease payments under the copier leases for the year ended December 31, 2007 was \$9,542.

Minimum future annual lease payments required are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2008	\$138,045
2009	36,298
	<u>\$174,343</u>

10. COMPENSATED ABSENCES PAYABLE

Changes in compensated absences payable for the year ended December 31, 2007 were as follows:

	<u>Balance January 1, 2007</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance December 31, 2007</u>
Compensated absences	\$ 34,060	61,914	50,832	\$ 45,142

The entire balance of compensated absences payable is considered to be a long-term liability by JEDCO.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

11. CONDUIT DEBT (NOT INCLUDED IN THE FINANCIAL STATEMENTS)

In 2000, the State of Louisiana authorized JEDCO to issue \$8.5 million in Variable Rate Demand Industrial Development Bonds. The bonds were issued for the purpose of financing the acquisition and installation of equipment of a manufacturing facility on behalf of a local corporation at its manufacturing plant located in Jefferson Parish. JEDCO's obligations under the Series 2000 Bonds are limited. These special obligations are payable solely from lawfully available funds from payments made by the corporation (as defined in the Loan Agreement) and certain funds held by the Trustee pursuant to the Trust Indenture. The bonds do not constitute a debt or pledge of faith and credit of JEDCO and, accordingly, have not been reported in the accompanying financial statements. No other assets are available for payment of the principal or interest on the bonds. The bonds may be called for redemption by the corporation at the option of JEDCO before maturity, in whole or in part, in the inverse order of maturity, on any interest date.

In 2002, the State of Louisiana authorized JEDCO to issue \$6.5 million in Variable Rate Taxable Revenue Bonds. The Bonds were issued for the purpose of financing the expansion of an existing warehouse facility on behalf of a local corporation located in Jefferson Parish. The facilities are to be leased by JEDCO to the corporation pursuant to a Lease Agreement between JEDCO and the corporation. JEDCO's obligations under the Series 2002 Bonds are limited. These special obligations are payable solely from the revenues and other amounts derived from the leasing of the facility by JEDCO to the corporation. The bonds do not constitute debt or pledge of faith and credit of JEDCO and, accordingly, have not been reported in the accompanying financial statements. No other assets are available for payment of the principal or interest on the bonds. The bonds may be called for redemption by the corporation at the option of JEDCO, on any date, before maturity, in whole in part, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

12. IN-KIND DONATIONS

Jefferson Edge Fund received \$7,500 of in-kind donations for advertising credit used during 2007 and included as a donation in JEDCO's financial statements. Jefferson Edge Fund also received \$694 of in-kind donations for meeting room rental credit used during 2007 and included as a donation in JEDCO's financial statements.

13. CONTRIBUTED SERVICES

The twenty-one members of the Board of Commissioners of JEDCO and members of the Board's various advisory committees serve without compensation. The value of these contributed services is not included in JEDCO's financial statements.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

15. NOTES RECEIVABLE

JEDCO has notes receivable recorded in the EDA Revolving Loan Fund which are made to various businesses under the terms of the capitalization grant received from the Economic Development Administration. These notes total \$1,008,736 at December 31, 2007. The notes have various maturity dates and interest rates. No allowance has been established for the year ended December 31, 2007, as management has reviewed and deemed all notes collectible.

JEDCO has notes receivable recorded in the BRGL Fund which are made to various businesses under the terms of the cooperative endeavor agreement received from the State of Louisiana Office of Economic Development. These notes total \$3,892,859 at December 31, 2007. The notes have various maturity dates and are at zero percent interest. The borrowers are required to begin making principal payments beginning in 2008 on these outstanding notes receivables. No allowance has been established for the year ended December 31, 2007, as management has reviewed and deemed all notes collectible.

JEDCO has notes receivable recorded in the HUD Revolving Loan Fund (an agency fund) which are made to various businesses under the terms of the Department of Housing and Urban Development Community Development Block Grant Loan Guarantee Program. These notes totaled \$331,126 at December 31, 2007. The notes have various maturity dates and interest rates. No allowance has been established for the year ended December 31, 2007, as management has reviewed and deemed all notes collectible.

JEDCO has a note receivable recorded in the Incentive Fund (an agency fund) which was made to a business under the terms of Jefferson Parish Incentive Fund. This note totaled \$74,684 at December 31, 2007. The note has a maturity date of September 2010 and an interest rate of 7.75%. No allowance has been established for the year ended December 31, 2007, as management has reviewed and deemed the note collectible.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

16. CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS

The following summarizes the changes in the assets and liabilities of the agency funds during 2007.

HUD Revolving Loan Fund				
	Balance January 1, 2007	Additions	Payments	Balance December 31, 2007
Assets:				
Cash and cash equivalents	\$ 569,002	\$ 135,077	\$ 174,562	\$ 529,517
Notes receivable	262,563	174,562	105,999	331,126
Total assets	<u>\$ 831,565</u>	<u>\$ 309,639</u>	<u>\$ 280,561</u>	<u>\$ 860,643</u>
Liabilities:				
Due to Jefferson Parish Department of Community Development:				
Drawdowns	\$ 549,481	\$ 15,323	\$ -	\$ 564,804
Net income	282,084	13,755	-	295,839
Total liabilities	<u>\$ 831,565</u>	<u>\$ 29,078</u>	<u>\$ -</u>	<u>\$ 860,643</u>

The HUD Revolving Loan Fund accounts for loans made by the Department of Housing and Urban Development Community Development Block Grant Loan Guarantee Program to borrowers in the community for economic development. The funds are held for the Jefferson Parish Department of Community Development.

Incentive Fund				
	Balance January 1, 2007	Additions	Payments	Balance December 31, 2007
Assets:				
Cash and cash equivalents	\$ 27,952	\$ 4	\$ 9,297	\$ 18,659
Notes receivable	88,081	-	13,397	74,684
Total assets	<u>\$ 116,033</u>	<u>\$ 4</u>	<u>\$ 22,694</u>	<u>\$ 93,343</u>
Liabilities:				
Due to Jefferson Parish Department of Community Development:				
Net income	28,048	5,259	-	33,307
Total liabilities	<u>\$ 116,033</u>	<u>\$ 5,259</u>	<u>\$ -</u>	<u>\$ 93,343</u>

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
METAIRIE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS

16. CHANGES IN ASSETS AND LIABILITIES OF AGENCY FUNDS (Continued)

The Incentive Fund accounts for loans made by Jefferson Parish through its Incentive Fund to borrowers in the community for economic development. The funds are held for the Jefferson Parish Incentive Fund.

17. ESCROW DEPOSITS

JEDCO assists local businesses in obtaining loans from the Small Business Administration. JEDCO collects an application fee at the beginning of the loan process. These application fees are held in an account until the loan process is completed. All application fees are returned to the applicant even if the loan is not obtained. Escrow deposits totaled \$4,250 at December 31, 2007.

18. JEDCO DEVELOPMENT CORPORATION

On August 22, 1990, JEDCO formed a corporation called the JEDCO Development Corporation to operate as a Certified Development Corporation (the "Corporation") pursuant to Section 504 of Title V of the Small Business Investment Act of 1958, as amended. The Corporation is to be governed by all requirements of Section 504. The Corporation was formed under the non-profit corporation statutes of the State of Louisiana. The Corporation assists in the growth and development of small business concerns in the Jefferson Parish area pursuant to Section 504 of the Development Company Program of the Small Business Investment Act of 1958, as amended, and its regulations. The Corporation has no assets or liabilities and had no activity for the year ended December 31, 2007.

19. CHURCHILL TECHNOLOGY AND BUSINESS PARK

In September 2007, JEDCO entered into a cooperative endeavor agreement with the State of Louisiana to provide \$3 million of funding for infrastructure in the Churchill Technology and Business Park. In October 2007, JEDCO entered into a contract for \$2,992,829 with a construction company to perform the work. In November 2007, JEDCO acquired a parcel of land in Jefferson Parish for \$998,895 which is adjacent to existing properties owned by JEDCO.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
GENERAL FUND AND MAJOR FUND DESCRIPTIONS**

DECEMBER 31, 2007

GENERAL FUND

The general fund accounts for resources traditionally associated with JEDCO which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Jefferson Edge Fund

The Jefferson Edge Fund was created for the purpose of implementing the Jefferson Edge program which is a five year economic development strategic plan for Jefferson Parish. Funding for the implementation comes from the State of Louisiana, Jefferson Parish and the private sector through annual or multi-year commitments.

EDA Revolving Loan Fund

The EDA Revolving Loan Fund accounts for the grants received from the Economic Development Administration.

Business Recovery Grant and Loan Program Fund

The Business Recovery Grant and Loan Program Fund (BRGL) accounts for the grants received from the federal government through the Louisiana Office of Economic Development.

JEDCO WEST PROCEEDS FUND

The JEDCO West Proceeds Fund was created to account for the proceeds from the sale of the JEDCO West building that was sold in 2002.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
PROGRAM REVENUES				
Intergovernmental:				
Share of Jefferson Parish occupational licenses	\$ 1,392,930	\$ 1,422,973	\$ 1,422,973	\$ -
Charges for services:				
Loan processing and servicing	123,000	247,000	752,951	505,951
Rents:				
Enterprise Center West	35,000	15,000	27,538	12,538
Telephone:				
Enterprise Center West	10,000	5,000	-	(5,000)
Interest	12,000	12,000	75,157	63,157
Miscellaneous	-	-	24,000	24,000
Total revenues	<u>1,572,930</u>	<u>1,701,973</u>	<u>2,302,619</u>	<u>600,646</u>
PROGRAM EXPENDITURES				
Current:				
Enterprise Center West	138,270	148,930	131,296	17,634
BRGL	-	-	50,162	(50,162)
Financing the Future	262,200	283,200	239,893	43,307
Port/Transportation	103,200	93,375	85,441	7,934
Economic Development Services	364,600	430,225	351,545	78,680
Marketing	144,150	151,940	132,045	19,895
Administrative	559,500	621,500	548,373	73,127
Total expenditures	<u>1,571,920</u>	<u>1,729,170</u>	<u>1,538,755</u>	<u>190,415</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,010</u>	<u>(27,197)</u>	<u>763,864</u>	<u>791,061</u>
FUND BALANCES - BEGINNING	<u>670,091</u>	<u>670,091</u>	<u>670,091</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 671,101</u>	<u>\$ 642,894</u>	<u>\$ 1,433,955</u>	<u>\$ 791,061</u>

See accompanying independent auditors' report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
JEFFERSON EDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
PROGRAM REVENUES				
Intergovernmental:				
Private funds	340,000	340,000	288,284	\$ (51,716)
Jefferson Parish	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
State funds	100,000	50,000	50,000	-
Interest	15,000	15,000	57,653	42,653
Total revenues	<u>535,000</u>	<u>485,000</u>	<u>475,937</u>	<u>(9,063)</u>
PROGRAM EXPENDITURES				
Current:				
Marketing	240,000	215,000	212,672	2,328
Technology Development	350,000	50,000	41,992	8,008
Administrative	132,000	151,650	12,381	139,269
Land Development & Redevelopment	164,700	1,270,000	1,038,690	231,310
Total expenditures	<u>886,700</u>	<u>1,686,650</u>	<u>1,305,735</u>	<u>380,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(351,700)	(1,201,650)	(829,798)	371,852
FUND BALANCES - BEGINNING	<u>1,444,707</u>	<u>1,444,707</u>	<u>1,444,707</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,093,007</u>	<u>\$ 243,057</u>	<u>\$ 614,909</u>	<u>\$ 371,852</u>

See accompanying independent auditors' report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
EDA REVOLVING LOAN FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts,</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
PROGRAM REVENUES				
Federal RLF Funds	\$ -	\$ -	\$ -	\$ -
Interest	-	-	33,846	33,846
Total revenues	-	-	33,846	33,846
PROGRAM EXPENDITURES				
Current:				
Administrative	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	-	-	33,846	33,846
FUND BALANCES - BEGINNING	-	-	1,321,588	1,321,588
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,355,434</u>	<u>\$ 1,355,434</u>

See accompanying independent auditors' report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
JEDCO WEST PROCEEDS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
PROGRAM REVENUES				
Interest	\$ -	\$ -	\$ 19,572	\$ 19,572
				-
Total revenues	-	-	19,572	19,572
PROGRAM EXPENDITURES				
Total expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	19,572	19,572
FUND BALANCES - BEGINNING	-	-	395,660	395,660
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,232</u>	<u>\$ 415,232</u>

See accompanying independent auditors' report.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
LOUISIANA BUSINESS RECOVERY GRANT & LOAN PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
PROGRAM REVENUES				
Federal Funds	\$ -	\$ -	\$ 13,954,287	\$ 13,954,287
Total revenues	-	-	13,954,287	13,954,287
PROGRAM EXPENDITURES				
Current:				
Grants Awarded	-	-	9,321,604	9,321,604
Total expenditures	-	-	9,321,604	9,321,604
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	4,632,683	4,632,683
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ 4,632,683	\$ 4,632,683

See accompanying independent auditors' report.

OTHER SUPPLEMENTAL INFORMATION

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

DECEMBER 31, 2007

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Forward Jefferson

The Forward Jefferson Fund was established in 2007 to account for a donation for Jefferson Edge.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Bayou Segnette Fund

The Bayou Segnette Fund was created to account for the revenues and expenditures of the Bayou Segnette project. The purpose of the project is to provide fueling services to area recreational and commercial boaters.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
COMBINING BALANCE SHEET**

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2007

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
	Forward Jefferson	Bayou Segnette Fund	Nonmajor Governmental Funds
ASSETS			
Cash	\$ 4,980	\$ -	\$ 4,980
Due from other funds	-	19,726	19,726
Total assets	<u>\$ 4,980</u>	<u>\$ 19,726</u>	<u>\$ 24,706</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	5,000	-	5,000
Total liabilities	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Fund Balances:			
Unreserved, Undesignated	(20)	19,726	19,706
Total Fund Balances	<u>(20)</u>	<u>19,726</u>	<u>19,706</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 4,980</u>	 <u>\$ 19,726</u>	 <u>\$ 24,706</u>

See accompanying independent auditors' report.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
	Forward Jefferson	Bayou Segnette Fund	Nonmajor Governmental Funds
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Interest income	10	-	10
Total revenues	<u>10</u>	<u>-</u>	<u>10</u>
EXPENDITURES			
Current:			
Forward Jefferson	30	-	30
Bayou Segnette project	-	-	-
Business Recovery Center	-	-	-
Total expenditures	<u>30</u>	<u>-</u>	<u>30</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(20)</u>	<u>-</u>	<u>(20)</u>
FUND BALANCES, BEGINNING	<u>-</u>	<u>19,726</u>	<u>19,726</u>
FUND BALANCES, ENDING	<u>\$ (20)</u>	<u>\$ 19,726</u>	<u>\$ 19,706</u>

See accompanying independent auditors' report.

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
BAYOU SEGNETTE CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
PROGRAM REVENUES				
State funds	\$ 950,000	\$ 950,000	\$ -	\$ (950,000)
Total revenues	950,000	950,000	-	(950,000)
PROGRAM EXPENDITURES				
Current:				
A/E Services	50,000	50,000	-	50,000
Construction	900,000	900,000	-	900,000
Total expenditures	950,000	950,000	-	950,000
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	19,726	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ 19,726	\$ -

See accompanying independent auditors' report.

SINGLE AUDIT SECTION

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Jefferson Parish Economic Development Commission
Jefferson Parish, Louisiana

We have audited the financial statements of Jefferson Parish Economic Development Commission – (JEDCO), a component unit of Jefferson Parish, Louisiana, as of and for the year ended December 31, 2007, and have issued our report thereon dated March 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered JEDCO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of JEDCO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of JEDCO's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects JEDCO's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of JEDCO's financial statements that is more than inconsequential will not be prevented or detected by JEDCO's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by JEDCO's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting in the prior year that we have reported to management of JEDCO in a separate letter dated March 28, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JEDCO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, JEDCO's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

Metairie, Louisiana
March 28, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Commissioners
Jefferson Parish Economic Development Commission
Jefferson Parish, Louisiana

Compliance

We have audited the compliance of Jefferson Parish Economic Development Commission (JEDCO), a component unit of Jefferson Parish, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. JEDCO's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of JEDCO's management. Our responsibility is to express an opinion on JEDCO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about JEDCO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of JEDCO's compliance with those requirements.

In our opinion, JEDCO complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2007-1.

Internal Control Over Compliance

The management of JEDCO is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered JEDCO's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of JEDCO's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by JEDCO's internal control.

JEDCO's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit JEDCO's response and accordingly, express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of JEDCO as of and for the year ended December 31, 2007, and have issued our report thereon dated March 28, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise JEDCO's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, JEDCO's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Nettenville

Metairie, Louisiana
March 28, 2008

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007

Federal Grantor/Pass Through Or Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Department of Housing and Urban Development- Community Development Block Grant Loan Fund	14.248	BOO-UC-22-0001	\$ 331,126
Special Economic Development and Domestic Assistance Programs Long Term Economic Deterioration(LTED) Revolving Loan Fund	11.307	08-39-02686 08-79-04083	1,008,736
Community Development Block Grants *	14.228		<u>13,934,352</u>
			<u>\$ 15,274,214</u>

* Major Program

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when JEDCO has met the qualifications for the respective grants.

NOTE B – DESCRIPTION OF GRANTS

Department of Housing and Urban Development (HUD) – Community Development Block Grant Loan Fund

HUD through Jefferson Parish provides JEDCO with funds for loan pools which finance business development activities consistent with local economic development strategies. Loan repayments, interest and other related income create a revolving source of capital to stimulate economic activity and provide financing to businesses when private credit is unavailable.

Special Economic Development and Domestic Assistance Programs Long Term Economic Deterioration (LTED)

The Economic Development Administration provides JEDCO with funds for loan pools which finance business development activities consistent with local economic development strategies. Loan repayments, interest and other related income create a revolving source of capital to stimulate economic activity and provide financing to businesses when private credit is unavailable.

Business Recovery Grant and Loan Program (BRGL)

The State of Louisiana Office of Economic Development provides U.S. Department of Housing and Urban Development CDBG funds to JEDCO for grants and loans issued to businesses located in the parishes impacted by Hurricanes Katrina and Rita.

NOTE C – OUTSTANDING LOANS

The value of loans outstanding is as follows at December 31, 2007:

EDA Revolving Loan Fund	\$ 1,008,736
HUD Revolving Loan Fund	331,126
BRGL Loan Fund	3,892,859
	<u>\$ 5,232,721</u>

JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

(1) Summary of Auditors' Results

- (a) The type of report issued on the basic financial statements: unqualified opinion
 - (b) Significant deficiencies in internal control were disclosed by the audit of the financial statements: none reported; Material weaknesses: no
 - (c) Noncompliance which is material to the financial statements: no
 - (d) Significant deficiencies in internal control over major programs: none reported; Material weaknesses: no
 - (e) The type of report issued on compliance for major programs: unqualified opinion
 - (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: yes
 - (g) Major programs:
 - Department of Housing and Urban Development Community
Development Block Grant 14.228
 - (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
 - (h) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes
- (2) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*: None
- (3) Findings and Questioned Costs relating to federal awards:

**JEFFERSON PARISH ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007**

2007-1:

Condition and Criteria: BRGL grant awards were issued to two applicants that did not have adequate documentation in the file.

Effect: Grant amounts of \$20,000 were awarded to applicants that did not have documentation of meeting the eligibility requirements required in the cooperative endeavor agreement with the State of Louisiana.

Population and items tested: A sample of 40 grants was selected for testing. Two grants selected for testing did not have adequate documentation in the file to support the decrease in revenue eligibility requirement of the grant.

Auditors Recommendation: P&N recommends that management obtain documentation to support amounts provided on the BRGL applications.

Grantee response: Management concurs with the exception and has made changes as necessary to policies and procedures.

MANAGEMENT LETTER



Postlethwaite
& Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

CONFIDENTIAL

March 28, 2008

Board of Commissioners
Jefferson Parish Economic Development Commission
Metairie, Louisiana

Dear Commissioners of the Board:

In planning and performing our audit of the financial statements of JEDCO as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered JEDCO's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JEDCO's internal control.

However, during our prior year audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on JEDCO's internal control in our report dated March 28, 2008. This letter does not affect our report dated March 28, 2008 on the basic financial statements of JEDCO.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various JEDCO personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Board of Commissioners and JEDCO's management and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Very truly yours,

Postlethwaite + Netterville

Status of Prior Year Comments Not Resolved as of the Prior Year
(Note these comments reflect amounts and status for the respective fiscal year as noted)

2006.1 Authorization for Journal Entries

Observation:

Journal entries for certain non routine transactions are posted to the general ledger by the same employee that is responsible for their preparation. As a result, transactions are not always reviewed and authorized by someone other than the person posting the entry to the general ledger.

M m

Recommendation:

Procedures should be implemented to ensure adequate separation of duties and controls over authorization of general ledger postings.

Current status:

Comment is resolved as Management has implemented a plan in 2007 for review of journal entries.

2006.2 Accrual of Accounts Payable

Observation:

General ledger was left open after year end and expenditures incurred during 2006 were paid in subsequent period, but were recorded as reconciling items to checking account for JEDCO and Jefferson Edge Funds. As a result, cash and accounts payable were understated. While this situation did not affect fund balance or working capital, the overall control environment is weakened.

Recommendation:

Procedures should be implemented to ensure general ledger is closed at year end and accounts payable are properly accrued.

Current status:

Comment is resolved as no adjustments were required to accounts payable in the 2007 audit relating to the recording of outstanding checks.